

Message Text

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ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-08 AID-05 CIAE-00 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 DODE-00 MCE-00 PM-05 L-03
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P R 121409Z APR 78
FM AMEMBASSY ALGIERS
TO SECSTATE WASHDC PRIORITY 8368
INFO USDOC WASHDC

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DEPARTMENT PLEASE PASS EXIMBANK

E. O. 11652: N/A
TAGS: EFIN, AG
SUBJ: EXIM FINANCING FOR TRUCKS TO SONACOME

REFS: A) 77 ALGIERS 0188, B) STATE 93051

1. EMBASSY PLANS CONTACT VARIOUS SOURCES IN EFFORT GIVE AS COMPLETE AS POSSIBLE RESPONSE TO QUESTIONS POSED REF B. HOWEVER, GIVEN IM-PENDING ALG/US WEEKENDS WHICH WILL DELAY EXIM'S RECEIVING FULL RE-SPONSE UNTIL APRIL 17 AT EARLIEST, WE HEREWITH OFFER INTERIM, DESK REPLY.

2. FOR OPENERS, WE SUGGEST EXIM REREAD 1977 ALGIERS REFTEL. IT WORTH POINTING OUT THAT, TO BEST OF OUR KNOWLEDGE, LAST YEAR'S SNTR TENDER FOR 900 TRUCKS WAS NEVER CONCLUDED. WE UNDERSTAND THIS WAS FOR BUDGET/FOREIGN EXCHANGE REASONS. WE ALSO UNDERSTAND (THIS THIS NOT YET CONFIRMED) THAT BULK OF CURRENT SONACOME TENDER DESTINED FOR SNTR. THIS, THEN, WOULD REPRESENT LAST YEAR'S ABORTED REQUIREMENT FOR 900 TRUCKS PLUS PROBABLY SOMETHING MORE THAN THAT FOR THIS YEAR. WE DO NOT YET KNOW HOW SONTRACH FITS IN PICTURE,
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BUT WE SUSPECT THEY STILL PLAN IMPORT DIRECTLY.

3. IF ABOVE SUPPOSITIONS ARE CORRECT, THIS WOULD LEAVE BALANCE OF SOME 400-500 TRUCKS. IT LIKELY THAT THESE WOULD BE EARMARKED FOR COMMERCIAL SALE TO PRIVATE SECTOR AND TO VARIOUS OTHER NATIONAL COMPANIES HAVING LIMITED BUT REAL NEED FOR TRUCKS. THIS NUMBER DOES NOT SEEM EXCESSIVE. THERE ARE SEVERAL INDEPENDENT, RELATIVELY SMALL

TRUCKING COMPANIES OPERATING IN ALGERIA, FILLING THE GAPS WHERE AND WHEN SNTR FAILS PROVIDE ADEQUATE SERVICE. WHILE THESE FIRMS PROBABLY WILL NOT BE BUYING LARGEST SIZES OF TRUCKS IN SONACOME TENDER, THERE APPEARS BE ENOUGH OF THE SMALLER SIZES TO ACCOMMODATE BOTH SNTR AND PRIVATE NEEDS.

4. WE CANNOT ESTIMATE CURRENT FLEET AND ANNUAL PROCUREMENT NEEDS BECAUSE PRIVATE SECTOR FLEET, ESPECIALLY OF THESE SIZES, NOT KNOWN. IT ESTIMATED THAT ALGERIA'S ANNUAL TRUCK REQUIREMENTS IN NEIGHBOR-HODD 18-20,000, BUT THIS INCLUDES ALL SIZES, INCLUDING SMALL PICK-UPS. SONACOME'S ANNUAL TRUCK PRODUCTION PROBABLY CURRENTLY ABOUT 3,000. BULK OF THESE APPEAR TO BE GOING TO ARMY.

5. WE DO NOT KNOW EXTENT OF FOREIGN COMPETITION AND FINANCING TERMS BEING OFFERED. SONACOME HAS SAID THAT FINANCING TERMS WILL BE VERY IMPORTANT. SONACOME ALSO HAS SAID THAT FIAT IS MAJOR CONTENDER. BERLIET, WHICH HAS SOLD LARGE NUMBERS OF TRUCKS TO ALGERIA IN PAST, REPORTEDLY DOES NOT BELIEVE WILL SEE ANY THIS YEAR.

6. AS WE REPLIED TO EARLIER USDOC REQUEST RE POSSIBLE MILITARY USE OF THESE TRUCKS, WE CANNOT SAY WITH CERTAINTY THAT THESE TRUCKS WILL NOT GO TO MILITARY (OR TO POLISARIO, FOR THAT MATTER), HOWEVER IN THE PAST MILITARY PROCUREMENT THROUGH SONACOME APPEARS IN MOST CASES TO HAVE BEEN DONE OPENLY AND WITH FULL KNOWLEDGE OF SUPPLIERS. WE TEND TO BELIEVE THIS TENDER IS STRAIGHT FORWARD COMMERCIAL OPERATION COVERING PART OF ALGERIA'S LEGITIMATE AND PRESSING TRANSPORTATION NEEDS.

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TATION NEEDS.

7. EMBASSY STRONGLY SUPPORTS EXIM ASSISTANCE IN FINANCING THESE TRANSACTIONS.
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Message Attributes

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Draft Date: 12 apr 1978
Decaption Date: 01 jan 1960
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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